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New York

President: Mr. Ali Abdussalam Treki ..... (Libyan Arab Jamahiriya)

The meeting was called to order at 10.25 a.m.

Agenda item 52 (*continued*)

Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

High-level Dialogue on Financing for Development

The President (*spoke in Arabic*): The General Assembly will begin the fourth High-level Dialogue on Financing for Development, under agenda item 52, in accordance with General Assembly resolution 64/194 of 21 December 2009 and General Assembly decision 64/551 of 23 February 2010.

The overall theme of the fourth High-level Dialogue is "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead".

The High-level Dialogue will consist of plenary meetings, three interactive multi-stakeholder round tables and an informal interactive dialogue. A detailed programme is contained in the *Journal* of the United Nations.

I have the pleasure to welcome all present, including the Secretary-General, to the fourth High-level Dialogue on Financing for Development. As we meet here today, the global economy is showing some signs of slow improvement following the very severe crisis that it has experienced. Developing countries are paying a dire price for a global economic crisis that they were not responsible for precipitating.

This High-level Dialogue is a very important opportunity to go through all the measures that have been taken at the political level to address the challenges facing developing countries and to mobilize the necessary resources in the framework of the commitments stipulated by the Monterrey Consensus and the Doha Declaration on Financing for Development. I am confident that this Dialogue will make a major contribution to the preparatory work for the high-level meeting on the Millennium Development Goals to be held by the General Assembly later this year.

The first priority for developed and developing countries alike is to reinvigorate the global economy in a sustainable manner. However, this economic recovery is still lagging behind. To date, we have not had all the conditions for sustainable development, and we expect growth rates to remain low in the developing world compared to what they were before the crisis.

The consequences of the crisis included a major decline in the flow of investments to the developing countries that is threatening their investment and development capabilities. The consequences have not been limited to this decline. We fear that development assistance will also decrease, although many developed countries have announced at several international meetings that they will not allow their local difficulties to limit their assistance flows to developing countries. However, this is not enough in itself because we need

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to increase the flows of official development assistance and to improve both its quality and quantity in order to face the consequences of the crisis and to achieve the Millennium Development Goals agreed by the international community.

In this framework, the developed countries should live up to their commitments under the Doha Declaration on Financing for Development and the Monterrey Consensus. They must make tangible efforts to allocate 0.7 per cent of their gross national product to official assistance for development.

The decline in global trade has also impacted the developing countries, which depend on the revenues from the export of their basic commodities. Therefore, if developing countries wish to strengthen their development, they should resist protectionist tendencies and we must consecrate the progress that was made in the multilateral trade negotiations in the framework of the Doha Round. At the same time, the international community has to increase the assistance it allocates to trade in developing countries in order to allow those countries to overcome their structural problems and to reinforce their competitive capabilities in the trade sector so as to recover from the crisis.

The crisis undid many achievements, especially with regard to debt reduction for developing countries. It is now likely that several developing countries, including those that have benefited from debt reduction initiatives, will see their debts increase to unsustainable levels because of the drop in their capital and because of the very harsh conditions imposed on external financing, as well as growing financial pressures due to the deterioration in exchange rates and rising interest rates.

Finally, I would like to emphasize that the current crisis is also due to the major flaws in the international economic governance system. Although we are reconsidering the organization of global economic markets, which is an important starting point, we still urgently need in parallel to reform the main institutions of global financial and economic governance in order to provide the developing countries with further opportunities to participate and express their opinions. This reform is paramount to empowering those institutions and allowing them to face the new challenges imposed by globalization and to deal with the new realities of the twenty-first century.

The High-level Dialogue convening today and tomorrow will be very important in fostering the pillars of a new and more equitable economic order. Let us make it an opportunity to eradicate the poverty that is undermining the dignity of humankind and destroying the lives of myriad children, men and women.

I now give the floor to His Excellency Secretary-General Ban Ki-moon.

The Secretary-General: I am pleased to address this High-level Dialogue on Financing for Development. Before I begin, I would like to welcome the presence of His Excellency Mr. Oqil Oqilov, Prime Minister of Tajikistan.

As we meet, the world economy is showing signs of recovery, yet growth remains fragile. Job losses persist. Human costs are high in all regions. Despite many challenges, donor countries must sustain official development assistance levels and ensure that their own recovery efforts do not burden others. At the same time, many developing countries will need additional assistance to stimulate their economies and expand social protection for those most affected.

International institutions have a key role to play. Better access to financing can help relieve the pain of economic adjustment. I welcome the efforts of the International Monetary Fund (IMF) to improve its lending framework and the support of the Group of 20 leaders for expanding IMF lending capacity. However, much more needs to be done. Vulnerable countries must not be hampered by onerous conditions or burdensome external debt.

In June 2009, the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development emphasized that short-term responses to the crisis must be in harmony with the longer-term development goals. This is the major thrust of the nine joint crisis initiatives established by the United Nations Chief Executives Board for Coordination. These measures include immediate steps to address the impact of the economic downturn, as well as longer-term measures to generate decent work and lead to more equitable and sustainable development.

In June, we will introduce a prototype of the Global Impact and Vulnerability Alert System, and we are working to strengthen coordination between our United Nations country teams and the Bretton Woods institutions.

Member States' support for these efforts is crucial. We continue to face immense development challenges. The Millennium Development Goals (MDGs) are at the top of our agenda. The MDG summit in September will decide on a plan of action to meet the 2015 deadlines. My report "Keeping the promise" (A/64/665) provides a forward-looking review to accelerate progress in the next of five years. We know it is possible. The world has seen MDG successes in numerous countries, including some of the poorest. We also know what it takes — the right policies, adequate investment and international support.

The fundamental rethinking triggered by the economic and financial crises provides the international community with a rare opportunity for reform — reform that can ensure more stable growth, job creation and sustainable development. It requires adequate policy space for developing countries so they can undertake the primary responsibility for their own development.

The Monterrey Consensus and Doha Declaration on Financing for Development are central. A true partnership for development can be achieved only through a combination of investment, trade, aid, debt relief and global economic governance reforms. The international community must deliver on the development objectives of the Doha round of trade negotiations. We need to reform the international financial system and architecture.

We need better mechanisms to coordinate economic policy with representative, accountable and equitable governance. I welcome the ongoing reforms of the Bretton Woods institutions to ensure legitimacy and increased effectiveness. These reforms should be ambitious and timely, and should significantly enhance the voice and participation of developing countries. Investment spending must support sustainable development. Many developing countries will need considerable external assistance in this area as part of the global green new deal.

We must also continue to press for a binding international agreement on climate change. The Copenhagen accord called for new and additional predictable resources over the next decade. I have established a High-level Advisory Group on Climate Change Financing to develop proposals on how to scale up long-term financing for mitigation and adaptation in developing countries. It will deliver its recommendation before the next Conference of the Parties to the United Nations Framework Convention on Climate Change in Mexico in December.

The United Nations has an important role to play in ensuring a robust, inclusive intergovernmental process to realize international commitments on financing for development and meeting the Millennium Development Goals. I trust that this biennial High-level Dialogue of the General Assembly will provide a strong impetus in all areas of that vital task. I wish the Assembly a productive meeting.

The President (*spoke in Arabic*): I thank the Secretary-General for his statement.

Address by His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan

The President (*spoke in Arabic*): The Assembly will now hear an address by His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan.

Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan, was escorted to the rostrum.

The President (*spoke in Arabic*): On behalf of the General Assembly, I have great pleasure in welcoming His Excellency Mr. Oqil Oqilov, Prime Minister of the Republic of Tajikistan, and inviting him to address the Assembly.

Mr. Oqilov (Tajikistan) (*spoke in Russian*): On behalf of the Government of Tajikistan, I would like to welcome all participants to today's fourth High-level Dialogue on Financing for Development. The discussion of the issues of mobilizing national and international financial resources for development, attracting direct foreign investment, international trade as a driving force for development, and the promotion of international financial and technical cooperation — as well as addressing and resolving systemic issues aimed at better coordinating and streamlining the international monetary, financial and trade systems in the interests of development — is extremely timely and important. Such dialogue is becoming increasingly necessary because, as we anticipate, it will be a valuable contribution to the preparation of the United Nations high-level meeting on the Millennium Development Goals (MDGs) to be held in September.

The nations of the world have encountered another economic crisis of genuinely global magnitude. With globalization, the crisis has affected every country, regardless of its political and economic

system. The negative consequences of the crisis pose a threat to the possibility of achieving the MDGs and are seriously undermining all our efforts in this area.

The financial and economic crisis has had grave effects on the economy of Tajikistan and exposed some of our problems. They include an export market, and the economy as a whole, that is excessively geared to raw materials, as well as a weak financial market. Developing some basic market institutions, and, above all, a competitive environment has become even more urgent.

Before the crisis, annual gross domestic product (GDP) growth in Tajikistan was up to 9 per cent and the inflation rate had fallen to single digits. In 2009, the poverty rate had been reduced to 49.3 per cent, compared with 72 per cent in 2003, and we expect it to drop to 41 per cent by 2012. Those achievements are the result of a stable socio-economic situation in the country, the creation of conditions favourable to the expansion of economic reforms and the overall implementation of economic programmes and large-scale measures within the country's current stage of development.

In 2009, however, GDP growth slowed considerably, as it did elsewhere, although our Government succeeded in maintaining positive momentum in development through a number of emergency measures, in particular by implementing a plan featuring additional short-term anti-crisis measures. The Government's anti-crisis policy is focused on support for domestic demand, social protection of the population and job creation. Like many other countries, we are optimizing public expenditures and working to create a platform for post-crisis development. Among our priorities are creating a favourable environment for business, developing competition, implementing energy, mining, agricultural, transportation and other infrastructure projects, as well as further developing the various regions of the country.

It is well known that creating an environment that favours private sector development is one of the major prerequisites for the dynamic development of any country. We are giving priority to the attraction of investment, the gradual commercialization of all sectors of the economy, and an increase in the share of private services. To lessen the risks associated with investment and entrepreneurial activities, we are working to improve the mechanisms for protecting property rights and to simplify procedures for granting licences and permissions. We are taking consistent steps towards creating a climate favourable to investment. To that end, tax and customs regulations that meet the requirements of the modern market are being introduced for foreign investors, as well as practical mechanisms for protecting investors' interests and rights during the implementation of investment projects.

The short-term measures undertaken during our country's current stage of development of our country are yielding concrete results. At the same time, we believe that the next phase must include long-term efforts at the national and global levels. Tajikistan, as a landlocked country whose transportation, transit and trade policy is dependent to a large extent on harmonized systems of transportation and trade within the region, considers that freeing the country from its communications dead end is a priority.

It is impossible to establish close trade and economic ties among different States without highways and railroads that meet international standards. Creating reliable, cost-efficient transportation corridors and, ultimately, transforming them into economic corridors will provide opportunities for economic growth rates to increase. It should be noted, however, that artificial barriers, such as railroad blockades imposed by our neighbour the Republic of Uzbekistan, are undermining our Government's efforts to ensure social and economic development, and posing a threat to my country's security.

Given the global crisis, it is important to comply with and strengthen the trade regimes of the World Trade Organization, which are agreed multilaterally and based on the rule of law. Tajikistan considers it expedient to implement development measures in order to improve the multilateral trade system so that it takes more fully into account the needs and interests of the developing countries.

Official development assistance plays an important role in the implementation of those objectives. Tajikistan supports the call for a doubling of assistance and for ensuring predictability in financing for development. The international community has succeeded in making considerable progress on debt relief, though such progress has affected only a limited group of countries. It has, however, made it possible to lay the foundations of those fundamental principles on the basis of which international cooperation in seeking ways to ensure

active debt relief could be expanded. That will be of critical importance over the next few years.

In our view, we should heed the appeal made in the Millennium Declaration for an integrated approach to debt relief for the developing countries through relevant national and international measures aimed at ensuring an acceptable level of indebtedness in the long term. The current financial and economic crisis compels us to review the principles of global economic management by which we have been guided over the past decade.

Given the harsh experience of recent years, United Nations Member States must jointly shape a more fair, transparent and efficient global economic architecture. Moreover, all countries should have guaranteed access to all life-sustaining resources, advanced technologies and sources of development. There is a need to develop guarantees that minimize the risk of recurrent crises similar to that we are experiencing today. All the decisions we intend to make should not only be relevant to the current situation, but must take into account the needs of the new, post-crisis world. It is my hope that this High-level Dialogue will help and lead us to consider effective measures in that area.

The President (*spoke in Arabic*): On behalf of the General Assembly, I wish to thank the Prime Minister of the Republic of Tajikistan for the statement he has just made.

Mr. Oqil Oqilov, Prime Minister of the Republic Tajikistan, was escorted from the rostrum.

The President (*spoke in Arabic*): I should now like to turn to some organizational matters pertaining to the conduct of the meeting.

I would like to propose that the list of speakers be closed in view of the large number of delegations inscribed on the list.

It was so decided.

The President (*spoke in Arabic*): With respect to the length of statements, speakers are encouraged to limit their statements to five minutes, on the understanding that this will not preclude the distribution of more extensive texts. In view of the large number of delegations already inscribed on the list of speakers, which now exceeds 73, I appeal to speakers to cooperate in this respect.

To assist speakers in managing their time, a light system has been installed at the speaker's rostrum which functions as follows. A green light will be activated at the start of the speaker's statement. An orange light will be activated 30 seconds before the end of the five minutes. A red light will be activated when the five-minute limit has elapsed.

I should like to inform members that, pursuant to General Assembly resolution 64/194 of 21 December 2009, the Assembly will also hear statements by representatives of the following organizations of the United Nations system: the World Bank, the United Nations Development Programme, the United Nations Conference on Trade and Development, the World Trade Organization and the International Monetary Fund.

I now give the floor to Mr. Otaviano Canuto, Vice-President and Head of Network, Poverty Reduction and Economic Management of the World Bank.

Mr. Canuto (World Bank): As we enter the second decade of the twenty-first century, the development community faces renewed challenges in the fight against poverty, hunger and other human deprivations. The impact of the crisis has been substantial. In many dynamic middle-income emerging-market countries, available policy tools and resources have been allowed an aggressive and proactive response, with the result that recovery is well under way.

However, in most low-income countries and many lower middle-income countries, these options were out of reach as the crisis deepened and the inability to address the crisis-related challenges in a timely fashion jeopardizes years of progress in combating poverty. Evidence from past crises confirms that even mild downturns can have costly and long-lasting effects on human welfare that are sometimes irreversible, as families with few alternative employment opportunities and little access to credit are forced to reduce food intake or pull children out of school.

Important as these crisis issues are at present, they are by no means the whole story. The current crisis compounds but does not replace the traditional development agenda on which it has been so difficult to make progress for decades. At the same time, new global challenges have emerged. Some of these global challenges — such as climate change or communicable diseases — are quintessential public goods; others — such as food security, water management, migration

and energy — pose complex challenges calling for global cooperation in order to find durable solutions.

Multilateral cooperation is needed if we are to meet the Millennium Development Goals and ensure inclusive and sustainable globalization. The mutual accountability compact laid down in Monterrey, and adapted and extended to reflect the changing global environment, still provides a solid foundation on which to build a more comprehensive framework to address global issues. Let me briefly speak about the parties to that compact.

Thanks to progress on reforms, developing countries have indeed been relatively resilient in dealing with the initial impact of the crisis, but many now face serious medium-term fiscal sustainability issues. Yet, developing countries, particularly those endowed with natural resources, should reaffirm their commitment to the mobilization and deployment of domestic resources in order to promote more inclusive and sustainable growth. Ratification of the United Nations Convention against Corruption and other measures to deter asset theft and facilitate recovery, such as the Stolen Asset Recovery Initiative, could be important pillars of this framework by countering illicit financial flows and helping countries to manage their natural resources.

Donors should, in turn, match these efforts by mobilizing additional resources from a range of sources — public and private — expanding innovative mechanisms for financing development needs, and improving the predictability of official development assistance flows. Finally, the expanded compact should reaffirm the critical role that international financial institutions must play as public good providers to address market failures and to assist developing countries with technical and financial support.

During the past 18 months, the World Bank Group has been able to rapidly provide global leadership; coordinate, leverage and deliver substantial financial resources; and mobilize global knowledge and expertise to serve the broadest range of member countries' needs through innovative approaches building upon its worldwide reach and local presence. Cumulative World Bank Group commitments from 1 July 2008 through December 2009 reached $87.6 billion and will likely go beyond $100 billion before the end of April.

The World Bank Group's crisis response provides a snapshot of the untapped potential of the institution to address the challenges and opportunities of the post-crisis world. To realize this potential, the World Bank has initiated reforms intended to create modern and more inclusive institutions capable of responding to long-term development financing needs with sufficient resources and appropriate operational instruments. Accomplishing these results requires efforts in a number of interrelated areas, and extensive work is already under way in each of these areas.

The World Bank Group is modernizing corporate governance and enhancing the voice of developing countries and countries in transition in decision-making processes. That is a key building block of the reform process, critical to maintaining its role and legitimacy within the global development architecture.

The World Bank Group has also launched a series of internal reforms in order to deliver a customized package of top-quality global knowledge and financial services in real time to every client. The internal reform agenda has three interlinked elements: first, modernizing and enhancing the effectiveness of the Bank's financial and non-financial instruments to tailor them to client needs, improve the speed of delivery and demonstrate results on the ground; secondly, facilitating the responsive and efficient delivery of client services through changes in the way the Bank is organized, including improvements to the organizational matrix through which the Bank's work is delivered and an enhanced field presence coupled with greater devolution of responsibility and accountability; and thirdly, supporting both more effective services and better delivery of services through changes to incentives, policies and infrastructure.

However, the commitments made over the past 18 months, in addition to the strong pipeline for the remainder of the current fiscal year and the expectation that borrower demand will remain high over the next two years, will strain the financial capacity of the International Bank for Reconstruction and Development. The International Finance Corporation is already facing a capital constraint as the financial crisis has adversely affected its profitability and capital position. Capital reviews and discussions of financial needs are under way and are expected to be completed next month. Discussions on the replenishment of concessional windows have also started, as current resources may not meet low-income countries' needs.

Let me conclude by stressing that the issues of aid, debt relief and multilateral assistance cannot be framed solely around charity or the Monterrey commitments to achieving the Millennium Development Goals. Developing countries offer abundant opportunities for high-return investments — for example, in critical infrastructure — that can overcome bottlenecks to growth and may help to rebalance global growth towards a more sustainable configuration of external balances.

Promoting multiple poles of growth in developing countries would make an important contribution to this rebalancing by creating new sources of growth in global demand. Supporting developing countries in this effort should thus be seen not as a handout, but rather as an investment in sustainable global growth and poverty reduction.

The President (*spoke in Arabic*): I give the floor to Ms. Rebeca Grynspan, Associate Administrator of the United Nations Development Programme.

Ms. Grynspan (United Nations Development Programme): Eight years ago in Monterrey, the world made historic commitments to eradicating poverty, promoting sustainable development and advancing economic growth. We are here in New York to critically assess the progress that has been made in financing these commitments. This assessment comes at a time when the global economy is taking tentative steps to emerge from the recession, but budgets remain squeezed and there is enormous pressure on all forms of development finance, public and private.

The World Bank has estimated that developing countries faced a shortfall in external financing as large as $635 billion in 2009 alone. This has meant difficult and painful choices as the demand for social services has increased, while funds to pay for them have decreased. Tragically, it also threatens hard-won progress towards achievement of the Millennium Development Goals (MDGs). Without the ability to stimulate spending and protect social spending on the most vulnerable, the consequences of the global recession may take many years to remedy. The effects of chronic hunger and reduced school attendance can impact countries' productive potential long into the future, and ultimately at a much greater cost to the national and international community than if adequate support had been available at the time of need.

Unfortunately, we often forget that the short term and the long term begin at the same time, as can be seen now more than ever. Thus, the international community must deliver on its commitments. In 2002, Group of Eight leaders stated that no country genuinely committed to poverty reduction, good governance and economic reform would be denied the chance to achieve the MDGs through lack of financing. Unfortunately, if that pledge is to stand, more must be done through official development aid, the Gleneagles pledges and last year's London Group of 20 commitment to providing additional resources for developing countries.

Finally, in Copenhagen, developed countries undertook to provide additional resources for climate change mitigation and adaptation in an amount approaching $30 billion for the period 2010-2012. However, details of the funding arrangement and the actual pledges remain to be determined.

We know from experience that with adequate resources, political responsibility and leadership at all levels, and evidence-based and well-targeted interventions, the MDGs can be met. The world has seen remarkable progress towards the MDGs. Deaths among children under five years of age have been reduced. Many countries have already passed the target of enrolling more than 90 per cent of children in primary school. The number of people in low- and middle-income countries receiving retroviral therapies for HIV/AIDS increased tenfold from 2003-2008.

All the same, and beneath the headline averages, significant challenges remain, especially because averages often hide the reality of vulnerable groups that have been left behind. Maternal mortality has declined only marginally, and the number of chronically hungry people around the globe rose to over 1 billion in 2009, reaching the highest level yet. Disparities between and within countries also persist.

Mr. Mohamed (Maldives), Vice-President, took the Chair.

If we are to meet the 2015 deadline, the world will need to accelerate progress in the five short years remaining. Development assistance will need to be mobilized, and quickly. While no single financing initiative can deliver a silver bullet, there are initiatives with the potential to raise unprecedented amounts of investment in the MDGs and stable long-term revenues for development. Some of these were noted in the 2001

report of the High-level Panel on Financing for Development (see A/55/1000); others have been proposed more recently. But the task now is to concentrate international attention and effort on fully developing them into practical undertakings.

Innovative sources have been piloted, especially related to health, such as the International Finance Facility for Immunization or the levies on air tickets that have generated important revenues to provide HIV/AIDS, tuberculosis and malaria treatments.

A discussion on financing for development can also no longer be meaningful without consideration of climate change. By some estimates, 40 per cent of development investment from official development assistance and concessional lending is sensitive to climate risk. That means that if climate change adaptation is not built into national development planning, scarce resources could well be wasted. This is one of the reasons why human development and environmental sustainability must be tackled together.

While these initiatives have the potential to unlock billions in financing for the MDGs, they only complement and do not replace sustained efforts to increase the quantity and quality of official development aid, to establish objective criteria for further debt relief, and to increase policy coherence so that what is done in one place is not undermined elsewhere. Our efforts will not be effective if, for example, we increase financial support to countries but still practice trade protectionism, or encourage more private financial flows but fail to pay attention to curbing capital flight.

Increases in the quantity of aid must be matched by improvements in the quality and effectiveness of aid. Insufficient progress has been made on commitments to untie aid, improve mutual accountability and transparency, and deliver unconditional and predictable finance that is aligned with countries' national priorities and systems. To make the most of official development assistance, Governments and development partners must also increasingly strive to use it as a catalyst to make steep changes in development.

Global initiatives have cancelled important debt weighing on the poorest countries, but insufficient attention has been paid to the debt burdens of low- and middle-income countries excluded from international debt relief schemes.

Significant scope also remains in maintaining and even increasing domestic resource mobilization. Many developing countries have substantial domestic savings. The most effective way to boost domestic resource mobilization for the MDGs is therefore to improve access to financial services for potential savers and potential borrowers alike. Such services must also be shaped to meet the needs of poor households.

To achieve the MDGs, the world must channel more financial resources to development. If we stop investing now, we risk losing hard-won development gains. It is in our own interest to avoid costly setbacks. We all benefit when countries have vibrant economies and educated and healthy populations that are well governed, peaceful and able to support the fight against climate change. In the five short years we have left, we must rise to the occasion. It can be done. Achieving the MDGs would be a significant achievement the world could be proud of.

The Acting President: I now give the floor to Mr. Petko Draganov, Deputy Secretary-General of the United Nations Conference on Trade and Development.

Mr. Draganov (United Nations Conference on Trade and Development) (*spoke in French*): In my statement, I should like to convey three messages. The first is related to the responsibility of public authorities, who must put finance to use in the creation of new productive capacities in developing countries. The second concerns the mobilization of financial resources, which should be done in a context that favours productive investment. We must avoid policies that, in an attempt to attract capital and increase savings, reduce demand and make speculation more attractive than production. Finally, global problems such as the international financial disorder and climate change demand global responses. In particular, developing countries must have access to financial resources and the necessary technology to enable them to move towards environmentally friendly means of production and consumption that encourage development, rather than hamper it.

The financial crisis has put the economic role of States back on the agenda. In the immediate term, that role is to limit the effects of the crisis. It is also, in the longer term, to prevent the occurrence of other crises through far-reaching revision of the functioning of the financial systems, which have essentially stopped financing productive investment, devoting themselves

instead to the quest for quick profits. Too often, investment financing has become the by-product of gambling, according to the Keynes formula, resulting in an enormous waste of resources that could have been used to finance development.

It is therefore vital to refocus financial activities. In developing countries, that should mobilize physical and human investment and the creation of good-quality jobs. The development and diversification of the means of production are essential not only to achieving the Millennium Development Goals (MDGs), but also to ensuring that such progress is sustainable.

The modalities for the commercial integration of the developing countries must also encourage such productive development. It must be recognized that there can be no genuine international competition if the productive capacities of the least developed countries are nipped in the bud. Thus, we must not readily abandon the principle of special and differentiated treatment for the developing countries, which must retain a margin for action, in the broadest sense, in their industrial policies.

The development of productive capacity requires financing and a favourable macroeconomic and trade environment. Part of such financing will come from international sources. The developed countries must honour their commitments to official development assistance. Foreign direct and portfolio investment can also continue to make important contributions. If it is to do so, financial flows must not be speculative and direct investment must increase the stock of capital and provide new technologies. To those ends, Governments can establish a regulatory and macroeconomic framework to discourage undesirable capital and channel the desirable towards productive investment.

I would recall instances in which the entry of capital was at the source of speculative bubbles and the ruinous appreciation of local currencies that resulted in financial crashes, balance of payments crises, and extreme foreign indebtedness. Such experiences have shown that the injection of external capital is not an end in itself and that it needs to be integrated into a development strategy whereby the mobilization of internal resources and their channelling towards productive investment are irreplaceable.

But that cannot be achieved simply through market liberalization. Left to themselves, financial agents prefer to finance Government or household consumption at high rates rather than become involved in long-term productive projects.

The appeal of immediate profit discourages financing of investment and makes it less attractive to entrepreneurs, who may thus be transformed into speculators. As a result, Governments have an important role to play. Of course, they cannot take the place of the private sector when making investment decisions, but they can influence those decisions. Through their macroeconomic and income policies, Governments are able to provide businesses with the possibility of stable growth in demand. By investing in physical and social infrastructure, Governments create the conditions necessary to private investment. Finally, they can encourage private financial institutions to offer reduced rates for investment or provide those rates directly through development banks. Thus, the entire development framework is critical to mobilizing the necessary resources for investment.

There is no system that first releases funds, then decides later on how they will be used. From that mechanical perspective, there are often recommendations to increase interest rates, decrease public and private spending and concentrate revenue so that the rich will save the money that the poor do not consume. The idea is that this would make more funds available for loans and therefore increase investments. But that idea is false, since no one invests when there is a drop in global demand. Quite the opposite is true. Savings are integral to growth and result in the growth of revenue for domestic enterprises and the State. The mobilization of internal resources requires conditions favourable to productive investment.

In conclusion, I would refer to the strategic role of multilateral financial bodies. We welcome the changes under way in global financial governance, although further progress must be made to discourage speculation and rebalance decision-making power in the Bretton Woods institutions. The crisis has demonstrated the need to enhance their capacity for financing, which has been done to a certain extent, but there is a need for these resources to be channelled towards countries that genuinely need them, without tacking on counterproductive political conditions.

The recent allocation of special drawing rights is, from this point of view, both positive and negative. It is positive because this financing mechanism has finally emerged from protracted lethargy, but if it is to truly

serve development, it should not be distributed on the basis of current quotas. There is also a need for new international financial regulations to provide for the resources necessary to finance a means of growth that takes the environment into account.

In its *Trade and Environment Review 2009-2010*, UNCTAD identifies sound poles of growth based on energy efficiency, sustainable forms of agricultural production and renewable sources of energy for rural development that could create positive externalities in the developing world. Innovative methods for financing and technology transfer must be established so that the necessary transformations of the global economy can strengthen development in the least developed countries.

Today, we are seeing the world of finances in its most negative aspect — that of upheaval and crisis. But this can also provide a decisive impetus to socially inclusive and environmentally sustainable development. It is now up to national and multilateral public authorities to restore financing for development at the heart of financial systems. Insofar as it will be possible to finance new, environmentally friendly productive capacities in the developing countries and that the latter are able to master new green technologies, we will have moved forward simultaneously on three critical fronts: financing, global warming and development.

The Acting President: I now give the floor to Mr. Shishir Priyadarshi, Director of the Development Division of the World Trade Organization.

Mr. Priyadarshi (World Trade Organization): When we met in Doha in November 2008, it was recognized that the international context had changed in many ways since the financing for development initiative was launched in Monterrey. An equally profound change has occurred since Doha. What started as a financial crisis in 2008 quickly became an economic contagion. Unlike previous crises, the current global economic downturn left no part of the economy untouched. And so it was with trade as well; world trade, too, has been a casualty of this crisis, having contracted in terms of volume by about 12 per cent, which is actually unprecedented.

Fortunately, the action taken by many of us present here, at both the national and the international levels, has helped to stabilize the financial markets, to stimulate recovery and, importantly, to avoid the risk of depression. As the Secretary-General said this morning, a global economic recovery can be said to be under way. Trade volumes are picking up and, importantly, it is clear that wide-scale protectionist measures have been avoided. Clearly, the multilateral trading system has passed what I would like to call the stress test that it was subjected to in 2009. It stood firm, showed its value and, most importantly, helped stem the tide of protectionism.

It is clearly hoped by the global community that the World Trade Organization (WTO) will continue to provide a global insurance policy against protectionism, including through an early conclusion of the Doha Round of negotiations, especially because of the impetus this Round can provide to growth and economic recovery. A Doha deal would not only provide new market opportunities through the reduction of tariff barriers and, importantly, by disciplining domestic subsidies; it would also reduce the fixed cost of trading through the negotiations on trade facilitations.

Also, it would provide for an even greater extent of certainty by securing further binding commitments from the members of the WTO. However — and I think this is where the link with financing for development becomes even more important — the market access opportunities that a successful conclusion of the Round would create will need to be complemented by significant and targeted Aid for Trade as part of the global efforts on financing for development. The Aid for Trade Initiative seeks to address the supply side and trade-related infrastructure constraints that inhibit the ability of many developing countries to reap the benefits of the trading system. In short, Aid for Trade is about assisting developing countries not only to increase their exports of goods and services, but, perhaps even more importantly, to integrate into the multilateral trading system and to benefit from the liberalized market access that they hope to get.

The Initiative is also about bridging supply and demand, and I think many of us present in this Chamber will fill a very important nexus between supply and demand. The Initiative would have to ensure that developing countries mainstream trade into their national development plans and, on the other hand, encourage additional, predictable and sustainable funding for trade and development.

In a year when the progress towards the Millennium Development Goals (MDGs) will be reviewed, it is important also to underline the linkage between the Doha Development Round and Aid for Trade as a tool not only towards realizing MDG 8, but also for identifying the impact that they can have on poverty alleviation in the context of the MDGs.

Efforts to mobilize resources for Aid for Trade have so far been successful. The WTO's Second Global Review, held in July 2009, showed that there had been a broad increase of 10 per cent from year to year in Aid for Trade. The latest figures that we have from the Creditor Reporting System of the Organisation for Economic Cooperation and Development show that overall sector-allocable official development assistance is now over $25 billion. And if we add non-concessional lending to this, the figure actually doubles.

However, far from resting on these laurels, I think it is important to look at the challenges ahead. While more challenges may emerge, three issues are clear. First, there is significant pressure on the fiscal position of many donors, which could lead to pressure on their commitments as we come towards the end of the Gleneagles period. Secondly, there is an uneven rate of recovery from the global downturn, and any initiative will need to take into account the fact that some countries have, perhaps, not been able to emerge from the crisis as well as others. Thirdly, and most important to the micro-level work that we all do, there are now changing patterns of demand across countries and sectors.

With special reference to the first point, concerning the pressures on donors to commit for a further period of five years — and, to save time, I will not go into the second and third points — a recent report of the Organisation for Economic Cooperation and Development on donors' forward spending plans points to a possible slowdown in the rate of growth of aid flows over the next two years and to a widening gap as compared to earlier commitments made.

One way in which the case can be made for more and better aid for trade is through a greater emphasis on its impact as part of any future monitoring process that the global community undertakes. Our call is therefore for more and better aid, and this needs to be demonstrated by what we all know to be true — that aid for trade is working. There are very good examples in which it has led to both growth and development.

Let me conclude by saying that the economic crisis has underscored the critical role that aid for trade can play in strengthening the economic recovery and trade performance of developing countries, in particular the least developed amongst them. It is also true that significant progress has been made in making aid for trade a global partnership. Additional resources have become available — at least up to this point — in response to the growing demand from developing countries, generated also by their realization of the important linkage between trade and development.

As an integral part of the broader issue of financing for development, it is to be hoped that the next steps will see further progress built on what we have already achieved, and that an expeditious and successful conclusion of the Doha Round, complemented by effective and enhanced aid for trade, will help all of us to achieve the Millennium Development Goals.

The Acting President: I now give the floor to the Honourable Niko Lee Hang, Minister of Finance of Samoa.

Mr. Hang (Samoa): The Monterrey Consensus continues to be the major reference point for international development. Progress in the implementation of the priority areas embedded in the Consensus, had been slow and inconsistent. Even the momentum generated by the Doha Declaration of 2008 could not accelerate the early attainment of these principles, which, taken together, are necessary building blocks in sustaining the hard-earned development gains made by Member States.

Against such a backdrop, it is easy to be critical and judgmental, especially when multilateral understandings reached in good faith do not materialize in full, and undertakings pledged and promises made are not kept and fall short of expectations.

But all is not lost. Samoa views the Monterrey Consensus and the Doha Declaration as reaffirmations of the importance of genuine partnerships and the need to put one's house in order first. Durable and lasting economic and social development can come about only if they are country-owned and country-driven so that they can be sustained and help build resilience against exogenous shocks.

The economic and financial crisis spared no one, including the strongest and most advanced economies.

Its effects continue to impact disproportionately on the least developed countries and small island developing States, whose vulnerability is exacerbated by the converging crises of food, fuel and climate change. As a member of both groups, Samoa continues to be acutely affected.

And if the severe social and economic shocks were not sufficient, nature's intervention via the September 2009 tsunami tested our country and our people's resolve to the maximum. Some entire villages were wiped out completely and much infrastructure destroyed. And for an island with a small population, the loss of 143 innocent lives is an unparalleled experience.

The tsunami undercut the prospects for a quick recovery from the global recession and landed Government with massive private and public sector reconstruction and rebuilding costs. Their combined effect was an economic contraction. Slow growth resulted in reduced Government revenues, placing considerable pressure on Government expenditure programmes.

Yet, despite these constraints, Government is committed to maintaining macroeconomic stability through its structural reform programme, including public enterprise reform, and improving the regulatory framework through the public financial management reform. A debt policy and aid and development cooperation framework is currently being formulated. Needless to say, these reform programmes are well supported by Samoa's development partners. Without this much-needed help, Samoa cannot go it alone.

These frameworks have highlighted the fact that budget support is the preferred modality for donor support. In preparation for this policy shift, Samoa has strengthened its donor coordination frameworks to ensure that the priorities determined and agreed by the Government drive the whole development process. At the sector level, we have developed sector-wide approaches that are geared to help strengthen donor coordination at the sectoral level and to ensure that the sector priorities and the sector ministries take full responsibility and drive the coordination function.

There is a consolidation of the development of a medium-term framework for the budget, as well as improvements in the overall budget process. We remain committed to the debt management strategy, which serves us well in achieving a favourable debt outlook. In particular, we aim to adhere to our publicly announced ceilings for net public debt and fiscal deficit of 40 per cent and 3.5 per cent of gross domestic product, respectively, after the tsunami recovery framework has been completed.

We recognize that a better understanding of the needs of the vulnerable within our communities is the basis for improved policies and will prioritize the consideration of vulnerability issues. This is reflected in the rationale behind our school fee relief scheme and the establishment of a civil society organization support fund financed by multiple donors.

Along the same lines, we continue to focus on further infrastructural developments that would ensure universal access to the delivery of such services as agricultural access roads. The impacts of the tsunami have accentuated the need to promote diversified livelihood opportunities, particularly for rural communities, and the development of the informal sector.

The impact of the recession and the tsunami on Samoa is clearly being felt now, placing undue financial pressure on an economy that was already under stress. It is essential that we adopt and maintain a response mechanism that would protect the provision of basic social services, and at the same time continue the implementation of reform measures to generate growth in the medium and long terms. Our request for the transitional period before Samoa graduates from the least developed country category to be extended beyond December this year is an integral part of the basket of measures by Government that are geared towards these objectives. Samoa is grateful to be a partner in this Dialogue on Financing for Development.

The Acting President: I now give the floor to His Excellency Mr. João Gomes Cravinho, Secretary of State for Foreign Affairs and Cooperation of Portugal.

Mr. Cravinho (Portugal): On behalf of my Government, allow me to thank the President of the General Assembly for convening this fourth High-level Dialogue on Financing for Development, which will, we hope, allow us to strengthen international cooperation and galvanize action towards the implementation of the commitments that we have agreed upon in the Monterrey Consensus and the Doha Declaration.

At the outset, I avail myself of this opportunity to fully align this statement with the one to be delivered

by the representative of Spain on behalf of the European Union.

The discussions of the next two days should never lose sight of our primary responsibility to fight poverty and promote development worldwide. We can strive for better aid coordination and coherence among countries and organizations. We can also look for new synergies and an emphasis upon the added value of each policy. However, this effort will be of little use unless we mainstream development as a horizontal concern in all policies and strategies at the national, regional and international levels.

Let us face reality. Keeping our promises and responsibilities towards development is not only a moral and ethical quest. We live in a globalized and interlinked world where our prosperity, security and well-being are increasingly inseparable from what occurs elsewhere, outside our borders. The impact of persistent poverty, unemployment and economic crisis in one region can be quickly felt in others, not least through migration, social disruption and conflict.

Similarly, in the age of global economy, financial instability in one country is immediately felt in the markets of others. And we have seen this happen on several occasions before, most eloquently with the recent financial and economic crisis that started in one country and affected world stability and brought new challenges to our societies, reversing some hard-won gains.

At the same time, we should acknowledge that the crisis has also created new challenges and opportunities for us to embark upon paths of sustainable economic growth. Portugal remains committed to developing a competitive, knowledge-based, socially sustainable, inclusive, innovative and eco-efficient global economy. With this aim in mind, we intend to concentrate our efforts on innovative actions, such as the promotion of green jobs and renewable energies.

In this respect, allow me to recall that, as a member of the European Union, Portugal has already associated itself with the Copenhagen Accord, which we see not as a final agreement but simply as a step in the negotiations towards the conclusion of a comprehensive global legal framework within the United Nations Framework Convention on Climate Change. We are seriously committed to contributing to the implementation of adaptation and mitigation actions, in particular in small island developing States and least developed countries and on the African continent. We shall do this in the framework of the fast-start financing that is foreseen in the Copenhagen Accord to the tune of $7.2 billion until 2012.

With regard to the mobilization of domestic resources, Portugal continues to reiterate that this is a key element of our global partnership on financing for development, reinforcing the principle of ownership and reaffirming that each country is primarily responsible for its own economic and social development. At the same time, however, we are aware that there will be no ownership unless countries achieve a certain level of development and well-being. On this matter, it is important to remember that there are no simple, one-size-fits-all solutions. Countries are very different from one another, with different levels of development and with diverse constraints and challenges. As donors, it is important to bear this in mind.

Nevertheless, issues such as tax administration and good governance are vitally important factors for development and contribute to the mobilization and securing of domestic revenues for developing countries, allowing them to become less dependent upon official development assistance. But we know that tax reform is a complex political process in which each country has its own pace and constraints. This is particularly true of some of the countries with more fragile State apparatuses, and Portugal works closely with some of its partners in this regard. But we remain aware that, in many countries, tax reforms will for many years remain insufficient mechanisms for raising the required levels of development funding.

Moreover, we are also dealing with the new challenges of globalization such as the funding of global public goods connected to climate change or global health risks. It is our belief that we all owe special attention to the predicament that is faced by the least developed countries and by small island developing States, which have been harshly affected by the triple tidal wave of food, fuel and financial crises, at the same time as they face new sources of insecurity stemming from climate change. These partner countries need particular attention from the international community and, in this context, Portugal is looking forward to the General Assembly plenary meeting in September to debate the five-year review of the Mauritius Strategy for the Further Implementation of

the Programme of Action for the Sustainable Development of Small Island Developing States, as well as to the Fourth United Nations Conference on the Least Developed Countries, to be held next year in Istanbul.

Let me take this opportunity to stress here my strong conviction that, in order to be successful and result-oriented, we have to combine in a coherent manner all the different processes that are under way during this whole year within the development agenda, avoiding repetitions and striving for greater efficiency and effectiveness at the operational level.

We all know that, in many developing countries, violent conflicts have left a deep trail of reversed development, hindering any efforts to achieve development and poverty eradication. In Portugal's case, fragile States have been high on our agenda and there has been a strong commitment to responding to difficult situations in fragile States and, indeed, to conflict prevention itself. I continue to believe that remaining engaged, even in the most difficult situations, is the best approach to preventing the emergence of failed States and the spillover effects of conflict. A renewed focus on some of the challenges on the African continent is thus critical.

Furthermore, when resources are scarce and the needs are pressing, our response must be global, coordinated and fast. And yet all around the globe, one can sense tendencies to turn inwards as each country seeks to deal with the consequences of global crisis within its borders. In our view, it is precisely this set of circumstances that requires us to have an internationalist outlook.

The current aid architecture is evolving, quite rightly, to incorporate the contributions and opportunities that arise from the involvement of emerging Powers. We believe that, in this process, it is fundamental to listen to the voice of the poorer countries as well. It is probably the case that, over the years, their voices have not been sufficiently heard or their opinions sufficiently taken into account. I believe that this is a major reason for our not having always taken full advantage of the instruments that we have at our disposal.

Let us take, for example, the case of the discussions that are taking place in the Group of 20. While this certainly represents an improvement over the Group of Eight framework, we consider that the success of the solutions adopted by the G-20 will largely be dependent on the inclusion of the views of developing countries and regional groupings in the debate of all major issues, such as the reform of the international financial institutions, since such involvement widens the legitimacy and appropriateness of the decisions adopted in G-20 the framework. On various occasions, Portugal has underlined this point during our participation in international discussions, and we shall continue to promote efforts towards the greater legitimacy of international decision-making processes, both as a matter of principle and as a matter of effectiveness.

Another relevant example concerns the ongoing voice and participation reform process within the World Bank Group institutions. There, too, the central point is that widespread participation and a corresponding sense of legitimacy is an essential ingredient for the success of reform measures. We very much support the creation of an additional chair for sub-Saharan Africa, the third African chair, as a response to the request by African countries for wider representation and participation in the world economic system.

Finally, in this new multilateralism, we also need a stronger United Nations system. It is essential that this Organization function to its full potential, adequately representing the interests of all Member States. In this context, it is very important to promote increasing coherence within the United Nations development system, as well as greater complementarity between the United Nations organizations with different mandates.

Let me assure the Assembly that Portugal is supportive of all efforts to overcome this challenge of reforming and performing better. Achieving the goals that we set up at Monterrey remains within our grasp. What is fundamentally needed is the political will to make this reality possible, and I would like to say that Portugal has the political will, and will keep company with those who do.

The Acting President: I now give the floor to His Excellency Mr. Mohamed El Oraby, Deputy Minister for Foreign Affairs for International Economic Affairs and Cooperation of Egypt.

Mr. El Oraby (Egypt) (*spoke in Arabic*): I would like to begin by congratulating the President on his able leadership of this High-level Dialogue on

Financing for Development, and by expressing my appreciation to the Secretary-General for all his efforts towards its success. I would like to convey special thanks to the Financing for Development Office and to the Department of Economic and Social Affairs for their technical and organizational support.

I would also like to associate myself with the statements to be made by the representatives of Equatorial Guinea on behalf of the African Group and of Yemen on behalf of the Group of 77 and China.

More than a year has passed since we met at the summit level in Doha, Qatar, in late 2008 in order to review the progress made in implementing the Monterrey Consensus of the International Conference on Financing for Development. At that time, we adopted the Doha Declaration on Financing for Development, and today we meet in the context of the main biennial forum through which the General Assembly reviews which pledges have or have not been implemented, based on the six chapeaux that form the Monterrey Consensus and the Doha Declaration, as well as the new challenges and emerging issues. In Egypt's view, therefore, this review must be based on the following three major interlinked and complementary parameters.

The first parameter is the current international economic environment, particularly the world economic and financial crisis and its multiple effects on the developing countries and their international and domestic sources of financing. Despite the appearance of signs of recovery from the crisis, its effects in our developing countries are continuing and in some cases increasing. The crisis still remains a cross-cutting challenge to the six chapeaux of the financing for development process. This has had a negative impact on the flow of international financial resources, international trade, official development assistance and external debt sustainability, as well as on the mobilization of domestic resources.

In order to address this central challenge, developed countries must honestly and fully implement their current commitments in all these areas. They should also mobilize new and additional financial resources in support of financing for development so as to allow developing countries to deal with the other challenges and crises we are facing in energy and food security, as well as the grave dangers posed by climate change.

The second major parameter is the role of the financing for development process in achieving the Millennium Development Goals (MDGs). We agreed in Monterrey and Doha that thee is a direct link between the financing for development agenda and the achievement of the MDGs. That link is increasingly significant, particularly since we will be holding a comprehensive review of the Goals at the summit level in the last quarter of this year, with the aim of achieving them by 2015.

We must therefore examine the best ways to capitalize on the link between the financing for development agenda and the MDGs, which form a socioeconomic framework for assessing international levels of development in the context of a global partnership for development. In addition, special attention should be paid to the African continent, as all statistics indicate that it will be far from achieving these goals by the agreed date of 2015.

The third parameter is the broader context of the internationally agreed development goals. Action to implement the financing for development agenda must be in total harmony and consistent with the broader international development agenda. We must therefore move forward in a way that complements and parallels the outcomes of the major United Nations conferences and summits in the economic and social fields, which together outline our internationally agreed development goals. Our efforts to implement the financing for development agenda should thus strengthen the likelihood of implementing the broader agenda, and vice versa. Accordingly, our vision should be comprehensive and based on addressing and following up development issues. This also speaks to our urgent and long-standing call for the establishment of a comprehensive intergovernmental mechanism to review and track the implementation of internationally agreed development goals in order to give us a comprehensive overview of their implementation.

Developing countries have made great and tangible strides towards implementing their commitments under the financing for development agenda, particularly with respect to good governance and implementing sound national macroeconomic policies. However, these efforts at the domestic level must be accompanied by good governance at the international level, and that begins with the establishment of a sound international economic and financial structure. I would like to emphasize in this

context the close relationship between achieving development goals and creating a sound international economic and financial structure, two complementary and mutually reinforcing goals that form an integral part of the financing for development agenda.

It is this understanding that informs our urgent and legitimate calls for reform of the international economic and financial system, whose flaws have been exposed by the financial crisis; such reform will strengthen the participation of developing countries in international economic decision-making. The financial crisis should not be used as a pretext to marginalize developing countries, particularly those of Africa, or to exclude them from the international financial system at a time when that system is seriously affecting their economic and social circumstances. We also cannot agree to establish any new system that would reinforce rather than confront this marginalization. In this context, we emphasize that while we appreciate the efforts of the Group of 20 and the commitments its members have made, Egypt believes in the necessity of expanding its membership to make it more representative of the countries of Africa.

In conclusion, I would recall that our conviction in the importance of the financing for development agenda to the developing countries prompted us to play a critical role, alongside Norway, in leading the intergovernmental negotiations that resulted in the adoption of the Doha Declaration by consensus. Based on our continued interest in and desire to activate the financing for development agenda, we hope to strengthen the review process and the existing mechanisms to follow up the outcomes of the financing for development process, which form the basis for assessing progress made in implementing Monterrey and Doha. Despite the decision of the Economic and Social Council in July to strengthen the current follow-up mechanism, there remains room for further strengthening. In this regard, we hope that the report of the Secretary-General at the next session of the General Assembly will contain effective recommendations that serve that goal.

We need to achieve a balance between addressing the issue of financing for development and other issues relating to women, sustainable development and population, with respect to which we agreed to establish functional commissions to periodically follow up their development through intergovernmentally negotiated and agreed resolutions rather than by issuing chairpersons' summaries.

From the same perspective, I recall our agreement in Doha on the need to consider holding another follow-up conference on financing for development by 2013. Undoubtedly, we will need to initiate consultations on the necessity of convening such a conference. This will require us to consider the contribution it could make to a comprehensive review of achievements in the financing for development agenda five years after the Doha Conference, and of how it might help us contribute to and assess the broader international development situation as we approach 2015, the agreed date for achieving the MDGs.

The Acting President: I now give the floor to Mr. José Fernandez, Assistant Secretary of State for Economic, Energy and Business Affairs of the United States.

Mr. Fernandez (United States of America): The United States of America welcomes this opportunity to reaffirm our strong commitment to financing for development and the core principles of the 2002 Monterrey Consensus. After eight years, those principles continue to guide us. They are particularly important as we prepare for the Millennium Development Goals summit in September, where the global community will come together towards these important objectives.

The United Nations High-level Dialogue on Financing for Development, which began in Monterrey, has encouraged us to think and act outside of the official development assistance (ODA) framework. We have come to agree that ODA alone cannot make countries grow and prosper, and so, since 2002, we have looked more and more beyond ODA to mobilizing the broadest spectrum of resources for development finance, including trade, aid, investment, remittances and domestic resources. That broad range of both public and private flows to developing countries is key to building systems of sustained economic growth.

It is a United States priority to encourage economic growth in the developing world and to help ensure that this growth is broadly and inclusively shared. But even as we see signs of recovery, we must recognize that the economic downturn has dampened the prospects for growth in the world's poorest countries. And now, more than ever, we contemplate the last five years before the Millennium Development Goals come due and we must look to new and

innovative sources of development finance and new ways to make our assistance dollars go further and work harder. We join others in reaffirming the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. We join the global call for assistance to build systems and sustainability.

Our discussion today gives us another opportunity to solidify the consensus among United Nations Member States as we forge ahead to the next level of development thinking and funding. The United States joins all Member States today in our shared long-term goals of sustainable and inclusive economic growth and development. Our High-level Dialogue on Financing for Development underscores the central role of free and open trade, as well as private capital, as engines for development. Private sector capital flows to developing countries dwarf official development assistance. We cannot afford to discount the importance of these private drivers of development. The private sector is and will remain a crucial part of our strategies for sustainable development.

This Dialogue recognizes the need for national ownership and responsibility for development, and calls on national leaders to mobilize domestic resources for development. No country will ever grow and prosper where broad and inclusive economic growth is not the goal of its leaders. No amount of financing, public or private, foreign or domestic, will generate sustainable economic growth without responsible governance. The work begins at home and must be driven from within. We will help those committed to economic growth and good governance by promoting country ownership and partnering with responsible leaders in their efforts to prevent illicit financial outflows, combat corruption and use domestic resources for development.

Our commitment to improving access to financial services for the poor is one example of how we can better mobilize domestic resources for development. Expanding financial services, such as savings accounts, small business loans and entrepreneurship training will allow smallholder farmers and entrepreneurs to expand production and to reach bigger markets.

The billions of dollars that flow from the developed world to the developing world in the form of remittance transfers every year can play a vital role in reducing poverty in many countries, but their full potential has yet to be realized. We are looking at innovative ways to help countries to leverage these remittance flows for productive investments and for growth.

Eight years have passed since Monterrey, yet there is a continuing need to strengthen the international dialogue on sources of financing for development. The United Nations is an important forum for this discussion, and this event will provide valuable input for the September summit on the Millennium Development Goals by highlighting the continued importance of good governance and the importance of creating an enabling environment for the full range of financing that is needed to support systemic and sustainable development.

We are grateful for the opportunity that the financing for development forum provides for a frank and a substantive exchange of views, and we are even more eager to have an even more full discussion in September.

The Acting President: I now give the floor to Her Excellency Ms. Olga Algayerová, State Secretary of the Ministry of Foreign Affairs of Slovakia.

Ms. Algayerová (Slovakia): Allow me to associate myself with the statement that will be delivered by the representative of Spain of behalf of the European Union.

I would like to thank the President of the General Assembly for convening this important and timely meeting. The fourth High-level Dialogue on Financing for Development represents an important step in strengthening international cooperation and partnership in financing for development and the implementation of the Monterrey Consensus and the Doha Declaration.

My delegation is confident that frank and open exchanges over these two days will yield positive results as we prepare for the upcoming high-level plenary meeting on the Millennium Development Goals (MDGs) in September under the auspices of the Secretary-General. The upcoming high-level meeting represents an invaluable opportunity to agree on significant improvements in the growth and development prospects of developing countries.

We are meeting at a time of great turbulence. The international community must manage the global economic recovery, environmental sustainability and climate change, preserve the progress that has been made, and revamp global institutional frameworks and the reform agenda at the same time.

We are also meeting at a very opportune time. Despite formidable challenges, progress is being made across all regions. I believe that, with strong leadership, resilience, increased effectiveness and accountability on all sides, we can be successful. We feel that there is a strong interest on all sides in joining forces and working together towards this common goal. With only five years left until the 2015 target date, the United Nations should increase its role in mobilizing greater political momentum and the resources needed to accelerate the progress towards achieving the Millennium Development Goals, notably those related to hunger, maternal and child health, and education.

I would like to reiterate my country's commitment to the implementation of the Monterrey Consensus and the Doha Declaration. The six pillars of financing for development cover a very wide array of topics. They continue to represent an invaluable opportunity to promote significant improvements in the growth and development prospects of developing countries. As has been said before, meeting the commitments made at Monterrey and Doha is critical to achieving the Millennium Development Goals.

In order to effectively implement the Monterrey Consensus, it is important to mobilize domestic and international financial resources for development. As elaborated in the Monterrey Consensus, all countries should act to create favourable conditions towards increasing the availability and effective mobilization of resources for financing development.

Attention must be called to the need to improve governance at a national level and to create an environment conducive to domestic and foreign investment. Private capital flows are particularly important for increasing productive capacity and the development of infrastructure. My country actively supports efforts to mobilize domestic resources for development by improving public financial management and the soundness and effectiveness of developing countries' tax and customs systems, and by strengthening international tax cooperation.

Official development assistance (ODA) remains an important source of development funding for some developing countries, particularly the least developed. Developing countries must take the lead in setting the right policies and strategies that will help them to fight poverty and reduce the risk of natural disasters. Donors must enhance their efforts and continue to provide enough aid of the right quality, and to promote effectiveness and efficiency in line with agreed international principles. Slovakia continues to make every effort to meet its ODA obligations. As a new donor, we are working to strengthen our ODA delivery capacity and the effectiveness of our assistance.

As has been mentioned before, debt relief continues to be important. We call for further national and international measures aimed at reducing the outstanding indebtedness of developing countries facing unsustainable debt burdens, including debt cancellation and other arrangements, as appropriate.

Trade is one of the most important external sources of development financing. My Government supports the conclusion of the Doha Development Round on the basis of a comprehensive, ambitious and balanced outcome to the negotiations. In general, coherence in global policies on development assistance, debt relief and trade should be enhanced in order to increase the effectiveness of each of the policy elements to which I have referred.

In conclusion, I would like again to thank the President for giving me the opportunity to address the Assembly. Let me express my strong confidence that, in the face of multiple crises, the international community will not falter in following through on its commitments and declared objectives and that, through vigorous multilateral action, we will make further important progress on the development and poverty eradication, human rights, gender equality, decent work and environmental sustainability agendas.

The Acting President: I call on His Excellency Mr. Jorge Valero Briceño, Deputy Foreign Minister for North America and Multilateral Affairs of the Bolivarian Republic of Venezuela and Permanent Representative to the United Nations.

Mr. Valero Briceño (Bolivarian Republic of Venezuela) (*spoke in Spanish*): I would like to thank the President very much for facilitating this High-level Dialogue on Financing for Development. My delegation would like to associate itself with the statements to be made by the representatives of Yemen, on behalf of the Group of 77 (G-77) and China, and Chile, on behalf of the Rio Group.

This Dialogue is taking place at a time when countries, especially those of the South, are being

severely battered by capitalism's economic and financial crisis and when the world is feeling the terrible consequences of climate change. Those processes hinder development, promote the growth of poverty, inequality and injustice in many countries, and effect North-South relations.

Financing for development is neither a handout nor an opportunity to do business while exploiting the needs of other countries. It is a moral obligation to compensate for centuries of irrational exploitation of the peoples of the South and of nature. It is clear that developing countries are not responsible for the structural nature of the economic and financial crisis or for the ecological crisis.

The Bolivarian Republic of Venezuela underscores the importance of financing for development in reaching the Millennium Development Goals. To that end, it is necessary to implement the commitments made at Monterrey and Doha.

In the current reality of global capitalism, there is a clear predominance of financial economics over the real economy, and of speculation over the production of goods and services. In that context, global unemployment now far exceeds 200 million people, capital flows to the South have fallen, poverty has increased, and millions of people and thousands die of hunger every day.

Venezuela resolutely supports the position of the G-77 and China with regard to the need for a strengthened mechanism to monitor financing for development. Venezuela highlights the need for developing countries to meet their commitments to devoting 0.5 per cent of their gross domestic product to official development assistance by 2010, increasing it to 0.7 per cent by 2015.

In line with the Monterrey Consensus and the Doha Declaration, developed countries should reduce the debt and debt-servicing payments of developing countries, open their markets to the products of those countries, and encourage foreign investment flows to the South while guaranteeing the social and environmental sustainability of those investments.

Venezuela stresses the need for radical reform of the international financial and economic system, with close regulation of the functioning of international financial systems. Venezuela advocates the strengthening of financial architecture at the regional and subregional levels. In the context of the Bolivarian Alliance for the Peoples of Our America (ALBA), we are implementing a policy of integration through solidarity that is already contributing to the sovereign and integrated development of participating countries. For example, the ALBA Bank is financing development projects on the basis of solidarity and without the obscene conditionalities imposed by the Bretton Woods institutions. Venezuela underscores the potential that a new type of South-South cooperation without conditionalities holds for the financing of development.

Venezuela highlights the need to generate liquidity for the countries of the South so that they can pursue countercyclical policies that depart from the neoliberal budgetary adjustments imposed by the failed Washington consensus that led to the reduced social spending, devaluation and price adjustments that stimulate inflation. In that respect, it is essential to remove financing conditionalities for developing countries and to adopt policies promoting special drawing rights for development purposes.

I conclude by saying that financing for development is a commitment to humankind and to the planet. It is a historic commitment.

The Acting President: Given the long list of speakers, may I once again request the cooperation of members in keeping within the time allotted for each statement as agreed earlier, that is, no more than five minutes.

I now give the floor to His Excellency Mr. Juan López-Doriga, Director-General for Planning and Evaluation of Development Policies in the Ministry for Foreign Affairs and Cooperation of Spain, who will speak on behalf of the European Union.

Mr. López-Doriga (Spain) (*spoke in Spanish*): I have the honour to speak on behalf of the European Union. The candidate countries Croatia, Turkey and the former Yugoslav Republic of Macedonia; the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro and Serbia; as well as Armenia, Georgia, the Republic of Moldova and Ukraine align themselves with this statement.

First of all, we are pleased to participate in the fourth High-level Dialogue on Financing for Development. This is a crucial moment for making progress towards the achievement of the Millennium

Development Goals (MDGs) six months before the holding of the high-level plenary meeting in September and just five years from the deadline for meeting the MDGs. In the coming days, we will have an opportunity to submit data for the preparations for September's meeting, as well as to reiterate our commitment to building solidarity through mutual accountability in a forum of equals.

Since the adoption of the Monterrey Consensus in 2002, the financing for development agenda has been closely linked to the achievement of the Millennium Development Goals (MDGs). The review of the financing for development agenda at the Doha Conference in November 2008 took place in the context of the financial and economic crisis. This crisis has exacerbated not only the food crisis that has afflicted developing countries since 2007, but also the negative impacts of the energy crisis and climate change.

In this regard, it is essential that we honour our commitments and foster debate on new financing sources for development. The European Union reiterates its commitment to developing countries, particularly in terms of the volume and quality of its assistance and of the coherence of development policies.

The European Union, it should be recalled, is the leading donor worldwide, providing 60 per cent of all official development assistance (ODA). However, financing for development covers a broad range of issues, as stated in the Monterrey Consensus. It is not structured exclusively around ODA, but also includes the mobilization of domestic resources, the promotion of international trade, private financial flows, external debt and global governance issues. Moreover, since Doha, financing for development has faced emerging challenges arising from the food and energy crises, the economic and financial downturn, and climate change.

The European Union and its member States believe that, for the period from 2010 to 2015, a renewed mobilization of all resources for development from all sources and the implementation of policy coherence will be more necessary than ever. It is of paramount importance to reaffirm ODA commitments and to adhere to aid effectiveness principles through the implementation of the Accra Agenda for Action and the reform of the global aid architecture.

The European Union calls for the successful conclusion of the Doha Development Round with an ambitious and balanced outcome for developing countries. The combination of the aforementioned actions would help us to optimize resources in a more responsible and transparent way, thus increasing their impact on development.

In this regard, innovative sources of financing for development must be analysed in greater detail. The European Union remains committed to promoting policies and instruments that support investment and the expansion of our partner countries' private sectors in support of inclusive and sustainable economic growth. To that end, the mobilization of domestic resources remains one of the best formulas for enhancing assets for development in a sustainable manner.

Good governance in tax matters based on the fight against tax evasion could mobilize between $500 and $800 billion for development. In this respect, we are working on a road map guided by the principles of cooperation and shared responsibility, with three main objectives: first, the strengthening of tax administration and an appropriate design of tax systems; secondly, the strengthening of mechanisms to combat illicit financial flows and tax evasion; and, finally, efforts to support international cooperation and compliance with the standards for and commitments on the exchange of information among all countries, particularly the least developed. The promotion of an environment of transparency and cooperation requires greater coordination among all approaches and multilateral forums.

In addition to foreign direct investment, remittances and international capital flows in general have all been sharply reduced as a result of the crisis. All these flows need to be progressively re-established through the renewal of confidence in global markets, enhanced transparency, regulation and cost reduction, especially for developing countries.

Trade promotes investment and competitiveness and fosters faster economic growth in developing countries. Therefore, international trade and integration into regional and global markets must be part of any successful development strategy. The challenge for the international community is to ensure the intelligent drafting of international trade regulations, agreements, policies and bilateral and regional trade agreements that will enhance the development prospects of developing country partners. Predictable and more effective Aid for Trade is also essential to help

developing countries increase their trade capacity and address the difficulties they face in competing in local, regional and global markets.

Debt relief remains important. The European Union will continue to support the existing debt relief initiatives, in particular the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative. The European Union believes that the Evian approach is an appropriate and flexible tool to ensure debt sustainability in times of financial crisis. We will analyse appropriate mechanisms for debt relief in order to mitigate adverse impacts when a debt crisis is inevitable.

Corporate social responsibility is also a measure being promoted in the European Union. The lack of transparency directly affects our companies, and we need to encourage ethical and responsible behaviour at the heart of their activities. The Global Compact principles serve as a reference in this respect, as does the integrated human rights and business framework that the Secretary-General is promoting.

From the institutional perspective, the crisis has also revealed the need for better coordination, both within the United Nations system and between the United Nations and the Bretton Woods institutions, with an ongoing reform process aimed at ensuring more inclusive and efficient institutions.

Finally, climate change and the food security crisis require the adoption of urgent measures. Today, over 1 billion people suffer from hunger and malnutrition. This is humanly unacceptable. All of our efforts should be focused on alleviating the drastic consequences of the crisis, which affects the poorest of the poor in particular. The European Union has always been at the forefront of the development agenda and remains firmly committed to supporting developing countries in their struggle to achieve the MDGs by 2015.

The Acting President: I give the floor to the chairman of the delegation of Yemen, who will speak on behalf of the Group of 77 and China.

Mr. Alsaidi (Yemen): Allow me, on behalf of the Group of 77 and China, to thank the President of the General Assembly, the Secretary-General and the United Nations system for their resolute commitment to development.

This fourth High-Level Dialogue on Financing for Development and its focus on "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead", demonstrate the will and resolve of the international community and its multilateral system.

The Group of 77 and China attaches special priority to the topic of financing for development and expresses its commitment to participating constructively in today's discussions, as well as in future negotiations.

The world economy may no longer be shrinking quite as fast as previously predicted, but we should not ignore the fact that the negative impact of the crisis is far from over. It may well be argued that its full effect remains to be seen, especially in developing countries. Even as analysts assure us that the world economy might be showing signs of recovery, unemployment and underemployment are on the rise worldwide, affecting the livelihoods of millions of people in the developing world. If the international community fails to contain the effect of the crisis and to address its roots once and for all, the world will face unimaginable and immeasurable consequences.

The 2002 International Conference on Financing for Development has gone down as one of the successes of the United Nations in development matters. Although there was strong resistance at first to allowing the United Nations to engage in financial matters, this resistance was overcome in the light of the irrefutable argument that the United Nations had a legitimate role to play in the process of development, as stipulated in its Charter. The Monterrey Consensus is in fact an important step forward towards a working partnership between the United Nations and the multilateral financial institutions. However, some of the ground gained in Monterrey, and then further secured in Doha, has been lost. There is a need for a robust follow-up mechanism that goes beyond official meetings.

The Group of 77 and China actively participated in last week's spring meeting of the Economic and Social Council with the Bretton Woods institutions, the United Nations Conference on Trade and Development and the World Trade Organization. Although significant progress was made at that meeting — as discussions were more interactive and we all agreed that we need sustained engagement — the level of

representation reflected the gap that still exists between New York and Washington, D.C.

The fourth High-level Dialogue will emphasize the need to reform the international monetary and financial system, including its implications for development, as well as the damaging impact of the current financial and economic crisis on the flow of direct investment, external debt and international trade. The Dialogue will also examine innovative sources of development financing in leveraging the mobilization of domestic and international financial resources for development. Let us briefly review performance in the light of the action areas indicated in the 2002 Monterrey Consensus and at the June 2009 Conference on the World Financial and Economic Crisis and Its impact on Development.

Developing countries have been forced to invest significant resources in servicing and reducing their debt. They have also had to invest assets in developed countries in order to protect their currencies in the context of an unsupportive and unstable international monetary and financial environment. The Group reaffirms the need for donors to fulfil their commitment to allocate 0.7 per cent of their gross national income for official development assistance to developing countries.

Reforms to the global governance structure have not been made, and there is no coherence in the policies of various international bodies that is required to complement and facilitate policy reform by developing countries. The Group of 77 and China expects that there will be a fundamental role for the United Nations in that process. In that context, we attach special importance to the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues included in the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development (resolution 63/303).

Although the scope of the Monterrey process and the follow-up to the Conference on the World Financial and Economic Crisis are not the same, there are significant points of convergence among them. It is therefore important to look into the two processes from the perspective of financing for development.

The Group of 77 and China is committed to continuing the discussions with regard to the follow-up mechanism on financing for development as agreed in resolution 64/193. Achieving a more effective and inclusive intergovernmental process to carry out the follow-up on financing for development is vital to achieving our development. That process should receive the full attention and visibility it deserves in order to monitor and ensure the timely implementation of the decisions we made in Monterrey and Doha.

Developing countries, especially the most vulnerable and least developed, need to generate liquidity for development. They must also be granted aid and benefit from viable and sustainable advanced schemes for the management of debt, with the objective of freeing up resources for development. We must underline the interaction between financing for development and the Millennium Development Goals (MDGs), especially that linked to MDG 8. The Doha Declaration underscores the need to mobilize financial resources for development to achieve internationally agreed development goals.

The multifaceted impact of the current crisis has aggravated structural fragilities and imbalances. For that reason, we believe that it should be addressed through a common long-term strategy that takes into account, among other things, market access, technology transfers, the financing of measures to mitigate and adapt to climate change, food insecurity and external debt and related problems.

The Group considers trade to be a vital tool in providing long-term sustainable growth. In that regard, we call for the conclusion of the Doha Round to prevent future crises and to secure from erosion the development gains made before the crisis. Subsidies, in particular in the agricultural sector, have a direct impact in our countries and especially affect the most vulnerable farmers. We also consider it essential that the 0.7 per cent ODA commitment be reached. Moreover, we attach importance to the issue of innovative sources of financing.

Before I conclude, it is worth mentioning that reform in global economic governance issues is a prerequisite for making many other changes to the international financial architecture. International financial institutions need democratic, responsive and accountable governance that reflects the realities of the twenty-first century. Last week at the meeting of the Economic and Social Council, we learned that the reform of the international financial institutions is proceeding. That suggests that there is a need for an

increase of at least 3 per cent in voting power for developing and transitional countries. However, many developing countries have maintained that shifts in voting power should be no less than 7 per cent. We reiterate that voice reforms are essential and that development must be placed at the centre of international financial institutions.

Finally, I would like to reiterate the readiness of the Group of 77 and China to constructively and substantively interact in this process in order to give financing for development the importance it deserves.

The Acting President: I give the floor to chairman of the delegation of Chile, who will speak on behalf of the Rio Group.

Mr. Gálvez (Chile) (*spoke in Spanish*): The text of the Rio Group's statement will be distributed in the Hall. I read out a condensed version in order to keep within the time limits given to us by the President.

On behalf of the Rio Group, Chile would like to express its satisfaction at the holding of the fourth High-level Dialogue on Financing for Development at an especially important time leading up to the next summit on the Millennium Development Goals (MDGs). Financing for development is essential to achieving the targets set by our heads of State and Government at the Millennium Summit. The implementation of the commitments undertaken at Monterrey and Doha are of particular importance, especially for developing countries, which are more severely impacted by the effects of the international economic and financial crisis that has threatened the means of survival of the poorest and most vulnerable people in our societies.

The Rio Group reiterates that each country is responsible for its own economic development. In that regard, the mobilization of domestic resources is essential to ensuring success in the fight against hunger and poverty and ensuring full employment. Those resources, which are in and of themselves insufficient and have been diminished as a result of an unfavourable international economic environment, should be complemented by foreign financial resources. To that end, international cooperation without conditionalities is crucial and should be focused on allowing developing countries to design public policies that each country, exercising its sovereignty, chooses in light of its own needs and through its own domestic democratic processes.

In addition, developing countries need a favourable international economic climate if their national development policies and programmes are to succeed. In this context, the Monterrey Consensus provides the United Nations with a framework for promoting an economic climate favourable to national, international and systemic development financing. However, the greatest challenge eight years after those commitments were made continues to be their implementation.

The Rio Group stresses once again that the follow-up mechanisms to the commitments assumed in Monterrey and reiterated in Doha have not produced the desired results. We therefore appeal for a continuing exploration of alternatives in order to find the best way to implement those commitments. In this regard, we point to the contributions that the Rio Group, as well as other delegations, has made to help resolve, among other matters, the systemic problems that the global economic crisis has worsened.

The countries of the Rio Group have consistently reiterated the need for a broad international dialogue aimed at building a new international financial architecture that will guarantee the democratization and transparency of financial management and strengthen regulation mechanisms. We need to work for the thorough democratization of the international financial institutions in order to enhance significantly the developing countries' voice, representation and voting power in this area. This will ensure, among other things, that the financial institutions' actions focus on the development dimension.

Last year's United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development reaffirmed the urgent need to implement the necessary reforms to the global financial and economic system. In this context, it is important to recall the central role that the United Nations should play in this reform process in order, inter alia, to ensure coordination and coherence among the various efforts being made, as well as their legitimacy and representativeness.

We firmly believe that the United Nations — and the General Assembly in particular, given its universal nature — is the natural forum for the discussion of issues of global significance, including those related to the economic and financial crisis. We therefore reiterate our support for the central role to be played by

the United Nations in discussions pertaining to global economic governance. The Rio Group believes that special attention must be paid to this issue and that it would be opportune for the Secretariat to produce a study on the matter, taking into account the best options to ensure that the United Nations plays a central role in the area of global economic governance.

All the available reports indicate that the Latin American and Caribbean region has experienced a marked decline in direct investment flow and other private capital, such as remittances. This sharp decline has severely impacted the anti-poverty plans and programmes of the countries of the region. The Group trusts that, with the support of the international financial community, this trend will soon be reversed, thus bolstering efforts to attain the Millennium Development Goals (MDGs).

Regarding foreign debt, the Group reiterates that it is dangerous to maintain patterns of foreign indebtedness that are unsustainable for developing countries. As regards trade and development, we must avoid the temptation of protectionism, particularly in developed markets. In the present circumstances, it is important to achieve a successful outcome of the Doha Round, keeping the aspirations of developing countries front and centre.

International financial and technical cooperation, including South-South and triangular cooperation, is a fundamental part of the promotion of development. We also believe it important to stress that recipient countries must be completely free to define their own national development priorities, with external cooperation supporting such sovereign decisions. Once again, we emphasize that fulfilment by developed countries of their official development assistance commitments, as well as of other specific financial commitments they have made, is crucial to the attainment of the MDGs.

In this context, we appreciate last year's progress report of the Secretary-General on innovative sources of development financing (A/64/189). The importance of innovative development financing mechanisms allows us to suggest the desirability of following up on the Secretary-General's report on this topic. The Rio Group is therefore open to supporting all initiatives that can continue to promote efforts in this area. We believe that it would be very helpful to hold an event on innovative mechanisms for development financing in preparation for the MDGs summit in September that will emphasize solidarity and complementarity. We offer our support for such an initiative.

Finally, the Rio Group wishes to reiterate that it is important for the main conclusions and ideas exchanged in this debate to be part of the information to be considered in the consultation process on the upcoming MDGs summit.

The Acting President: I now give the floor to the chairman of the delegation of Equatorial Guinea, who will speak on behalf of the Group of African States.

Mr. Ndong Mba (Equatorial Guinea): On behalf of the 53 countries that make up the African Group, I have the honour and pleasure to address the High-level Dialogue on Financing for Development. The African Group associates itself with the statement by the representative of Yemen on behalf of the Group of 77 and China.

Allow me at the outset to emphasize the great importance that the African Group attaches to this meeting. This is because of the nature of the cardinal issues it is focusing on: the economic and financial crisis and reform of the international monetary and financial system, and their impact on development, including the attainment of the Millennium Development Goals (MDGs). It also arises from the fact that Africa has been among the hardest hit by the recent multiple crises, whose impact, besides the challenges relating to poverty, climate change and epidemics, is already reversing economic gains and undermining the efforts of the continent to achieve internationally agreed development goals, including the MDGs.

We regret that today the developing countries, which did not cause the current global economic and financial crisis, remain nonetheless the most severely affected by it. The seriousness of the impact is due to a continuing failure to address the systemic imbalances and inequities that have characterized the international economic system. Ironically, the indicators cited in the report (A/64/665) on progress towards achieving the MDGs — prepared by the Department of Economic and Social Affairs and presented at the high-level segment of the Economic and Social Council and the Bretton Woods institutions last week — show that the delivery gap in the commitments made to Africa is higher than the delivery gap worldwide, which raises

questions about the seriousness of the commitment to Africa's development.

Against this backdrop, the African Group calls for the immediate fulfilment of all official development assistance commitments, including the pledge by the countries of the Group of Eight to double official development assistance to Africa by 2010. The Group also calls for the creation of an expeditious process during the next session of the General Assembly aimed at establishing a monitoring mechanism to follow up on all commitments related to development in Africa, a commitment we all made in September 2008 during the high-level meeting on Africa's development needs, and which was reaffirmed and further highlighted in General Assembly resolution 64/258, adopted earlier this month, on the implementation of the New Partnership for Africa's Development.

(*spoke in French*)

Although the African countries recognize the importance of mobilizing domestic resources to achieve sustainable development, the effects of multiple crises have clearly underscored the importance of external support. In that respect, we believe that the fulfilment of the pledges of official development assistance is a way in which debt relief, increased aid for budget support, and the availability of trade and export financing will positively impact the African economies.

Coherence and consistency in international economic governance is an integral part of the financing for development process. We thus reiterate the need to enhance the voice and participation of African countries in international economic decision-making and norm-setting. Africa is of the view that the current crisis provides a good opportunity to address the long-standing imbalances and fragilities inherent in the current financial and economic architecture. Accordingly, the need for urgent and comprehensive reform has become all the more pressing, coupled with a focus on creating a more democratic, effective and inclusive system. In this context, we emphasize that the economic and financial crisis and efforts to address it should lead not to the further marginalization of the African continent in international economic decision-making and norm-setting, but rather to recognition of the need for the continent to be more closely involved.

In the years following the adoption of the Monterrey Consensus, most African countries markedly improved their macroeconomic and fiscal management. External debt indicators improved in most countries and the inflow of private resources grew substantially, including through the mobilization of domestic resources and the reform of economic and financial systems. These developments were hallmarked by appreciable increases in growth rates. However, as we know today, these modest growth rates were substantially eroded by the crisis. Nevertheless, estimates show that there are signs of recovery, and the African countries are determined to restore the pre-crisis growth levels.

In this regard, we envisage an international economic situation that will help Africa to attain its targets for sustainable growth rates, which will require, among other things, an end to the stalemate over the Doha Round in order to allow African countries to address their ongoing development challenges by incentivizing trade and addressing the issue of sustainable debt.

In conclusion, the African Group hopes that our discussion today will contribute to our collective endeavours to help the financing for development process to fulfil its full potential.

The Acting President: I now give the floor to the chairman of the delegation of Nepal, who will speak on behalf of the least developed countries.

Mr. Acharya (Nepal): In view of the lateness of the hour, I will try to give a redacted version of my statement. I have the honour to deliver this statement on behalf of the group of least developed countries (LDCs). We align ourselves with the statement made by representative of the Republic of Yemen on behalf of the Group of 77 and China.

The Monterrey Consensus and the Doha Declaration on Financing for Development are built on the premise that enduring, substantially enhanced and comprehensive international partnership is essential to securing adequate resources for financing development, in line with the commitment to making the twenty-first century a century of development for all.

The world's economic and financial situation has witnessed upheavals since the Monterrey Consensus was adopted in 2002. The process of globalization has been unable to ensure benefit to all in an equitable and judicious manner. The gap between the rich and the poor has widened, with the least developed and

vulnerable countries increasingly pushed to the margins. Unmet official development assistance (ODA) commitments, deteriorating terms of trade, loss of export revenue, fluctuating commodity prices, declining flows of foreign direct investment and reduced earnings from remittances and tourism pose a serious challenge to development financing and undermine the attainment of the Millennium Development Goals (MDGs) and the goals outlined in the Brussels Programme of Action for the least developed countries. The flow of resources should fully recognize and be aligned with the level of structural vulnerabilities and enormous development challenges of the countries concerned.

We are all aware that development is first and foremost the responsibility of the country concerned, but given existing conditions of low productivity, low human resource development, high poverty and the low equilibrium trap, there is barely any scope for increasing domestic finances in the LDCs despite their best efforts over the past several years. Therefore, we need a strong enabling international environment in order to fulfil the basic requirements for human survival and security. In this context, we need strong international partnership in the following areas.

All ODA commitments, particularly those committed to LDCs, must be fulfilled to deal with the common development issues as well as new and emerging challenges. In the wake of the multiple crises and adverse disproportionate impacts of climate change, this has become not only urgent but an emergency, even in the words of the Secretary-General. Greater market access must be provided to LDCs within the developed markets that is not offset or undermined by distortionary and discriminatory trade practices and other tariff and non-tariff barriers. We underline the importance of an early conclusion of the Doha Round of negotiations that is ambitious and equitable, with a strong development dividend to all, in particular the LDCs, with the early harvest of duty-free and quota-free market access and special provisions on the services sector.

Aid for Trade to LDCs must be additional and substantive and should aim at enhancing their trading capacity and international competitiveness. International financial institutions, in particular the World Bank and the International Monetary Fund, should ensure that the new facilities that have been created in the wake of the multiple crises are inclusive of all, including the LDCs, substantially financed, easily accessible and with fewer conditionalities in order to protect development and social goals, including employment for all.

Our development partners and the international financial institutions are also urged to encourage the private sector to consider investing in countries where financial need for sustaining livelihoods and maintaining basic economic activities is acute. Special risk mitigation and institutional guarantee mechanisms are necessary to encourage foreign direct investment in the last developed countries. A solution must be found to ease the debt burden of poor countries through sustainable management and temporary debt moratoriums. External debt relief measures help to release and direct much-needed resources to development activities.

The international community must also come forward with additional, substantive and secure funding and technologies to help the LDCs adapt to and mitigate the effects of climate change, together with a legally binding and ambitious climate change agreement.

We underline that a greater share and voice for, and involvement and effective participation of developing countries, including LDCs, in the international economic and financial decision-making processes are essential to a transparent, democratic and inclusive international financial architecture. Reform of the international financial architecture must result in enhanced capacity to provide financial resources for development activities in a coherent manner.

Finally, we must reiterate that if peace and development are mutually reinforcing, strengthened financing for development must be ensured to promote international peace and stability. It is in our hands. We must have a visionary outlook in all related fields, make conscious and equitable decisions and take determined action to follow through. This is how we will measure the success of high-level dialogues.

The meeting rose at 1 p.m.